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How the Tariff Change Will Work.

Chicago Record.

Mr. George Hill, editor of the American Farmer, asked a series of questions concerning the tariff bill as follows:

"1. I understand that the sugar schedule of the tariff bill will increase the cost of sugar to the consumer about 2 cents a pound. Is that correct?"

It will depend largely upon the disposition of the refining company known as the sugar trust. The price to the consumer should not be greater than the increased cost of raw sugar to the refiner by reason of the duty. Taking the average price of raw sugar during the last six months, which was about three cents a pound, the increase cost would not be much more than 1.20 cents a pound. But the refiners will probably add the full amount of the duty imposed on refined sugars by the new law, say 1.53 cents a pound, as follows: Duty on raw sugar contained in the refined, 1.20 cents; differential on refined 20 cents additional; for bounty on German refined, .13 cents. Taking into account the increased capital to be employed in the business Mr. Hill's surmise that the consumer will have to pay 2 cents a pound additional as very nearly correct.

"Had the bounties paid out under the McKinley act been added to the price of sugar to the consumer, as is the case with the tariff tax, to how much a pound would they have amounted?"

I will base my answer to the second question upon the importations for the fiscal year ended June 30, 1894. The quantity of sugar imported during that period was 4,286,226,775 pounds. Senator Caffery of Louisiana, in a recent speech estimated the domestic production at 600,000,000 pounds, so that the grand total, in round numbers, of sugar consumed by the people of the United States last year was nearly 5,000,000,000 pounds. The bounty paid was \$12,000,000, which would be equal to 2.4 mills a pound, or about one-fifth of the tax of 40 per cent upon sugar. It can be safely said, therefore that the tax paid on account of the bounty last year would be less than 3 mills a pound.

"3. What portion of the tax imposed by the Gorman bill will go to the producer and what proportion to the trust?"

The total duties to be collected from sugar at 40 per cent ad valorem will approximate \$50,000,000. The producers of 600,000,000 pounds of domestic sugar will be benefited to the extent of about \$7,000,000 and the refining interest, or the trust, will reap the profit derived by supplying the people of the United States with over \$200,000,000 worth of refined sugar. The amount of that profit is known only to the refiners.

The imposition of a differential duty, as proposed by the senate bill, will enable them to retain and control this great business. If there were no differential duty on refined sugar the trust would have to compete with Germany and Hong Kong. English capitalists have recently established extensive refineries, with all modern appliances, at the latter place. The competition from these establishments would not be severe at first because of their limited capacity, but it would increase rapidly, and eventually, by reason of untaxed raw sugar and cheaper labor, especially in Hong Kong, would seriously interfere with

the refineries in this country.

There was imported during the last twelve months 58,230,242 pounds of refined sugar, an increase of 25,000,000 pounds over the corresponding period of the previous year. The imports of refined sugar decreased from about 30,000,000 to about 14,000,000 pounds during the same period. The foreign value of the refined sugar thus imported was 3.80 cents per pound. Add to this the present duty of half a cent per pound and the selling value would be 3.30 cents, but if it came from Germany 4.40 cents, to which should be added the freight and other charges. The average wholesale selling price of refined sugar during the last six months has been 4 cents a pound, about four-tenths of a cent less than the cost of the refined sugar that was imported. This is one of the anomalies of the business that is not easy to explain. It is clear, however, that the refining interests will be restrained by the threatened competition of foreign sugar from excessive charges beyond the legitimate profits of their business.

"4. Is there any law under which Attorney-General Olney could abolish the sugar trust, and if so, what reason does he give for not doing it?"

About a year ago the attorney-general brought suit under the anti-trust law against the Harrison Refining company of Philadelphia, which is a member of the trust. The case was tried in the United States District court in Philadelphia, the solicitor-general and the United States district attorney appearing for the United States, with the Hon. Mr. Phillips of North Carolina, for many years solicitor-general, as special counsel. After hearing all the testimony and arguments the court decided that the sugar trust is not a monopoly, because it does not exercise or possess the exclusive right to manufacture sugar in this country; it having been shown in the testimony that there are independent refineries in existence which have not been interfered with by the trust in any manner, and that there is nothing to prevent the establishment of other independent refineries at any place or by any individual. The court also held that there was no testimony to show that the trust had interfered in any way with inter-state commerce in sugar, or refused to sell sugar to any other person or corporation, or discriminated in favor or against any of its customers. On the contrary, the evidence was clear that it has supplied all applicants with whatever amount they desired to purchase, and that there was no evidence to show that the combination of sugar-refiners known as the trust is contrary to the public welfare. On the contrary it was clearly proved by the daily market reports that the cost of sugar to the public had constantly diminished since the formation of the trust, that its price was lower at the time of the trial than it had ever been and the testimony of chemical experts was unanimous and uncontradicted that the sugar furnished the public by the trust is absolutely pure, healthful and wholesome. In short, the trust succeeded in convincing the court that instead of being a cruel and grasping monopoly it is a philanthropic institution and a great public benefit. An appeal was taken by the government, which is

now pending and will be carried to the Supreme court. A second attempt is being made to dissolve the trust—in the United States court for the eastern district of Massachusetts—but the same testimony will doubtless be presented, with a similar result.

"5. Can you make an intelligent estimate of the comparative cost to the country of the taxation imposed by the McKinley and Gorman bills?"

The average duty on merchandise imported under the McKinley law during the last fiscal year was equal to 49.58 per cent of its value. The average rate imposed by the Gorman bill, as passed, is equal to 38.68 per cent, which shows an average apparent reduction of 10.90 per cent of customs taxation by the enactment of the new law, or a net reduction of about 24 per cent in the rates of duties proposed. But it is impossible to estimate how much money will really be saved to the people by this decrease in taxation. Political economists argue that a reduction in duties is invariably followed by an increase in importations, which is equal to saying that the same amount of money will be spent for foreign goods regardless of their cost, or the duty imposed upon them. The people will have to pay 2 cents a pound more for sugar, but they should be able to obtain many imported goods and certain luxuries at a considerably lower price. It is claimed, too, that the public will be relieved to a considerable extent from the taxes now levied on clothing. This may be true as to clothing made from imported fabrics, but when a man can purchase a good suit of woolen clothing, cut in fashionable style and well made, for \$10 it is difficult to see how the removal of the duty on raw wool and the reduction of the tariff on imported woolen fabrics will materially affect the price of home-made clothes. The city people who wear tailor-made clothing of foreign material may get a reduction, but the percentage will not be great. It will probably be less than \$2 on a suit of ordinary clothing.

An English manufacturer of men's clothing, speaking of the reduction of the duty, stated a few days ago to a Washington tailor that the effect of the new rates would be to have a little better quality of cloth made by the English manufacturers, to the extent of one-half of the reduction of duty, but the other half they proposed to keep themselves as profit, inasmuch as they have not made any profit on their American business for the last three years. For instance, the average value of woolen and worsted clothes costing 40 cents a pound, such as are used for men's wear, imported during the last fiscal year, was 89 cents a pound. The present duty is 44 cents a pound and 50 per cent ad valorem. The duty under the senate bill is 50 per cent ad valorem. Taking four pounds as the average weight of a suit of winter clothes, the saving would be \$1.76 on a suit. It is scarcely probable that a fashionable tailor would think it worth while to reduce his price under these conditions. The important factor in the cost of tailor-made clothes is the wages paid to first-class journey-men tailors here as compared with European cities, and so long as wages are kept up to the present high figures clothing made to order will continue to be expensive, no matter what may be the rate of duty on the cloth.

The Dog and the Dynamite.

Recently a hunting party were out among the lakes of northern Indiana, and among the number were a couple of Chicago young men. One of them, a drug clerk named Sommers, had a quantity of dynamite with him, intending to experiment in capturing fish by means of the explosive. He set out on his expedition accompanied by Wm. Walters and a fine water spaniel.

The dog stood on the bank of a small lake watching the men intently while they were preparing a stick of the dynamite to explode when thrown into the water. About this time the other members of the party appeared upon the scene.

Lighting the fuse Sommers threw the dangerous explosive far out into the water, and every member of the party was a close observer of the result, thus paying no attention to the dog which immediately plunged into the water and swam out after the dynamite cartridge.

Seizing the explosive in its mouth the dog started back for shore with it. When the dog reached shore it shook the water out of its hair and ran for its owner, Mr. Walters. The fuse was still burning.

Consternation seized the crowd as they apprehended the intentions of the dog and realized that in the next moment the package it held in its mouth might scatter death and destruction on every hand, and every man took to his heels.

But the dog followed after his master, still holding onto the stick of dynamite, the fuse of which was still burning. Just as the owner was climbing a fence the cartridge in the dog's mouth exploded, and the pursuing canine disappeared forever. Hair, blood and fragments of flesh and bone filled the air, and some of the frightened men were struck with pieces of the dismembered dog, but fortunately none were injured. A hole was made in the ground where the poor canine stood when it was blown to atoms, and the explosion was heard half a mile away. The collar that encircled the neck of the spaniel was found suspended to the limb of a tree several hundred yards distant.

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In China there exists a belief that when one dies indoors provision must be made for the egress of the fleeing soul; so a hole is cut in the roof of the house. On the other side of the globe, in Scotland, a similar superstition obtains, for when one dies a window is raised in order that the soul released may speed upon its way to heaven. How came this same superstition to obtain in opposite ends of the earth? Is it not curious, too, that we find in the Sanskrit and in the Arable literatures the origin of the fairy and folk tales repeated by lowly narrators at Scandinavian firesides?